

Message Text

UNCLASSIFIED

PAGE 01 KHARTO 02289 301236Z

67

ACTION AF-06

INFO OCT-01 EUR-12 NEA-10 ISO-00 EB-07 /036 W

----- 048955

R 300557Z SEP 75

FM AMEMBASSY KHARTOUM

TO USDOC WASHDC

INFO SECSTATE WASHDC 473

AMEMBASSY PARIS

AMEMBASSY KUWAIT

UNCLAS KHARTOUM 2289

E.O. 11652: N/A

TAGS: BTIO, SU

SUBJECT: SUDAN SPECIAL TRADE OPPORTUNITY - GRAIN
STORAGE AND HANDLING PROJECT

REF: KHARTOUM 2234, DATED 27 SEPTEMBER 1974

1. IN FURTHERANCE REFTEL THE FOLLOWING IS LATEST
PROJECT INFORMATION OBTAINED FROM SAYED ABDEL RAHMAN
MEDANI, MANAGING DIRECTOR GOS STORAGE AND SILOS
CORPORATION (SSC).

A. NEWLY FORMED SSC, SUBSIDIARY OF STATE
TRADING COMPANY, IS RESPONSIBLE FOR PORT SUDAN GRAIN
HANDLING FACILITY (CAPACITY 100 MT/HR) AND OPERATION
GRAIN STORAGE SILOS PORT SUDAN 50,000 MT AND GEDAREF
100,000 MT. (THESE SUPPLEMENTED BY LARGE BUT UNKNOWN
CAPACITY STORAGE SYSTEM IN TRADITIONAL "MATMURAS"
WHICH ARE HOLES DUG IN GROUND BY TENANT OR PEASANT FARMERS
AND LINED WITH STRAW AND CLAY MIXTURE THAT REPORTEDLY WILL
KEEP GRAIN UNSPOILED FOR SEVERAL YEARS). SSC WILL
ULTIMATELY BECOME INVOLVED IN TRANSPORT, CLEANING,
FUMIGATION AND GRADING AS WELL AS STORAGE OF GRAIN.
IT IS ENVISAGED THAT SSC WILL HANDLE BOTH SORGHUM
(DURA) AND WHEAT FOR DOMESTIC AND EXPORT MARKET. IN
MOST CASES STORAGE EXPECTED TO BE SHORT-TERM, I.E.,
LONG ENOUGH TO ARRANGE TRANSPORT TO MOVE GRAIN TO
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 KHARTO 02289 301236Z

MARKETS. IN ADDITION TO OWN TRANSPORT SSC IS EXPECTED

TO WORK CLOSELY WITH PRIVATE SECTOR TRUCK TRANSPORT SYSTEM WHICH IS MAIN MODE CURRENT GRAIN TRANSPORT.

B. PROPOSED SUBJECT PROJECT RESULTS FROM FEASIBILITY STUDY CONDUCTED BY CANADIAN FIRM HOWELL INTERNATIONAL (FINANCED BY KUWAITI FUND), WHICH COMPLETED IN 1952 AND MODIFIED BY FRENCH FIRM INTER-G IN 1973/74. TOTAL FEASIBILITY STUDY COSTS ESTIMATED \$950,000. AS NOW CONSTITUTED PROJECT CALLS FOR INVESTMENT \$95 MILLION AND INVOLVES EXPANSION OF THE MODERN GRAIN HANDLING, STORAGE AND TRANSPORTATION NETWORK TO INCLUDE (1) EXPANSION PORT SUDAN GRAIN HANDLING FACILITY TO 400 MT/HOUR; (2) CONSTRUCTION OF FIVE SILOS AT KHARTOUM NORTH, BARAKAT, NEW HALFA, DINDER AND HABIHA WITH CAPACITY 30,000 MET EACH; (3) CONSTRUCTION TWO SILOS AT DAMAZIN AND RENK WITH CAPACITY 50,000 MT EACH; (4) CONSTRUCTION 70 WAREHOUSES THROUGHOUT COUNTRY WITH CAPACITY APPROXIMATELY 6-10,000 MT EACH; (5) IMPORT AND OPERATION FLEET 350 TRAILER TRUCKS INCLUDING 210 LONG DISTANCE 6X4 UNITS TO TRANSPORT GRAIN; AND (6) IMPORT AND INSTALLATION RADIO CONTROL SYSTEM WITH SEVEN STATIONS.

RC. GOS HAS REJECTED FRENCH OFFER FINANCE PROJECT AGAINST REPAYMENT IN KIND WITH DURA CROP OVER TEN YEAR PERIOD. NO ALTERNATIVE FINANCIAL ARRANGEMENTS YET FINALIZED. HOWEVER, PROJECT IS REPORTEDLY INCLUDED IN LONG RANGE (25 YEARS) SUDAN AGRICULTURAL/INFRASTRUCTURAL DEVELOPMENT PLAN PREPARED BY ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT (AFESD) WHICH ENDORSED BY GOS IN 1975. AFESD IS EXPECTED TO CALL PLEDGING CONFERENCE OF MEMBERS BY EARLY CY 1976 TO SEEK FINANCING FOR THE LONG RANGE DEVELOPMENT PROGRAM NOW UNDERSTOOD TO CONTAIN OVER 100 PROJECTS CALLING FOR TOTAL INVESTMENT \$2.2 BILLION DURING PLAN PERIOD 1976-2000.

D. SSC WOULD WELCOME PARTICIPATION IN SUBJECT PROJECT BY US FIRMS. DIRECTOR INDICATED THAT US PROPOSALS SHOULD BE SUPPORTED BY CREDIT FACILITIES.

2. US FIRMS INTERESTED IN THIS PROJECT MAY WRITE FOR FURTHER DETAILS DIRECTLY TO:
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 KHARTO 02289 301236Z

SAYED ABDEL RAHMAN MEDANI
MANAGING DIRECTOR
STORAGE AND SILOS CORPORATION
P.O. BOX 1183
KHARTOUM, SUDAN

3. COMMENT: PROJECT ADDRESSES CRITICAL GRAIN STORAGE

AND DISTRIBUTION BOTTLENECK AND APPEARS TO HAVE REACHED
IMPLEMENTATION STAGE. SHOULD ANTICIPATED ARAB FUNDING
BECOME AVAILABLE US FIRMS MAY ENJOY BEST CHANCES OF
DOING BUSINESS. HOWEVER, IN MEANTIME BIDS WILL
PROBABLY HAVE TO BE SUPPORTED BY CREDIT FACILITIES
DUE CRITICAL GOS FOREIGN EXCHANGE CONSTRAINTS.
BREWER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 30 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975KHARTO002289
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750338-0994
From: KHARTOUM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975092/aaaaabbi.tel
Line Count: 122
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 KHARTOUM 2234
Review Action: RELEASED, APPROVED
Review Authority: RowellE0
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAR 2003 by maustmc>; APPROVED <18 FEB 2004 by RowellE0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SUDAN SPECIAL TRADE OPPORTUNITY - GRAIN STORAGE AND HANDLING PROJECT
TAGS: BTIO, SU
To: COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006